



Norman H. Bangert
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

DOGM
MINERALS PROGRAM
FILE COPY

June 16, 1989

TO: File

FROM: D. Wayne Hedberg *DWH*

RE: Field Inspection Geneva Steel Company/B.M.T. Incorporated,
Iron Mountain Mine, M/021/008, Iron County, Utah

One June 13, 1989, Wayne Hedberg met with Mr. Roy Benson of Geneva Steel at the Iron Mountain mine site for the purpose of inspecting proposed expansion of operations. The operator is intending to expand development into the prelaw, abandoned Burke strip pit and also into the abandoned and partially reclaimed Blackhawk fines area. Increased demands for iron ore at the Geneva Plant have forced the operator to find additional, readily available, sources of iron ore.

The existing haul road accessing the Burke pit has been upgraded and some preliminary developmental drilling and ore testing from the bottom of the pit has commenced. Ore will be removed from two lower benches within the Burke pit. Approximately 150,000 tons of ore have been identified which will be removed. Preliminary plans were discussed with the operator regarding reclamation requirements for the new disturbances within the pit. The Division requested that the operator provide supplemental information regarding the plans for development and reclamation as part of a revision application to the Iron Mountain permit.

The operator is also proposing to re-enter the partially reclaimed Blackhawk fines area and to commence removal of the iron ore fines for shipment to the Geneva Plant. Mr. Benson indicated that there is approximately 7 million tons of fines stockpiled in this area. I advised the operator that the Division would need to have a plan for reclamation of this area following removal of the fines. The operator was advised to also prepare a plan of action for this area as part of the revision application for additional development within the Burke pit.

Page 2
Site Inspection
Geneva Steel/BMT Inc.
M/021/008
June 16, 1989

While on site, the Chesapeake/Excellsior small mining operation was also inspected. Additional development work has occurred at this site since the last field inspection performed in May of 1989. The operator has provided an amendment to the SMO application to expand surface disturbance to approximately 7 1/2 acres. The operator was advised to include this entire area under a permit revision to the Iron Mountain site. Mr. Benson was asked to include this area, as part of the permit revision for the Burke pit and the Blackhawk fines area.

Testing operations have commenced at the Iron Mountain site on the wet-cob circuit which will be used to separate the stockpiled iron ore fines from the associated silt and clay fractions. Mr. Benson indicated that the testing, thusfar, had proved favorable and they would be commencing a larger scale of operation shortly. A series of small sediment traps/settling basins are being used for testing the wet-cob circuit. These settling basins will need to be expanded as their current size does not appear adequate to handle the expected volume of material that will be processed.

I informed Mr. Benson that the Division was in the process of completing it's technical review of his recent amendment application for the Chesapeake/Excellsior mine site and that we would be in contact with him in the near future regarding additional information. I asked Mr. Benson to check into the possibility of obtaining some larger scale maps of the Iron Mountain mine site which would help in the processing of the proposed amendments, forthcoming.

Mr. Benson indicated that the company was currently negotiating the purchase of some adjacent properties owned by C F and I Corporation, namely the Comstock Mine. Mr. Benson indicated that Geneva Steel would likely know within the 60-90 days whether the contract negotiations would prove favorable. He also indicated that the company would likely be considering expanding operations in the Mountain Lion pit area by this fall. There are considerable reserves, currently under water, which could be mined to the north and south of the existing pit bottom. Mr. Benson indicated that he would delineate the extent of the ore reserves that remained to be mined and submit this information as part of an upcoming mine plan revision package.

jb
cc: Lowell Braxton
Roy Benson
Minerals Team
MN2/94-95